Income tax assessees

2853. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there are only about three crore tax assessees in the country;

(b) which are the major areas where tax evasion is taking place;

(c) what measures Government are contemplating to take to reduce evasion and improve the tax base from three crore assessees; and

(d) how many persons are there who are filing income-tax returns but do not come under the taxable income category?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The number of income-tax assessees in the country as on 31st March, 2004 was 3.02 crores.

(b) Investigation carried out by the Income Tax Department does not indicate predominance of tax evasion in any specific type of business or profession.

(c) To reduce tax evasion and widen the tax base, various measures have been proposed in the Finance Bill, 2005, some of these are as under:—

(i) Proposed introduction of Banking Cash Transaction Tax to check tax evasion.

(ii) Proposal requiring the banks to report to the Government all deposits which are exempt from tax deduction at source (TDS) on interest.

(iii) Proposal for compulsory filing of return by all partnership firms irrespective of their level of income.

(iv) Proposed for changing the base for filing of return of income to be shifted from total income to gross total income.

(d) The details regarding all those persons who are filing income tax returns but do not come under taxable income category are not separately maintained. However, persons filing income-tax return under the One-by-Six Scheme do not have taxable income and the number of such persons during Financial Year 2003-2004 was approximately 71 thousand.